

# State Financial Incentives Update

September 2008 Workshop





## Introductory Information

- Changes to all financial incentive guidelines for SFY 2009
- 2 SAG and SRG application deadlines this SFY: November 3, 2008 and May 2009
- \$4.5 million will be available in SFY 09:
  - \$1 million (\$500k/round) for SAG
  - \$3 million (\$1.5 million/round) for SRG
  - \$500k for FMG



# Stipulated Assessment Grants

- Important guidelines changes for SFY 09 (November 08 and May 09 funding rounds):
  - Petroleum contaminated sites are not eligible for SAG funding **unless** the site also has hazardous substance contamination, and petroleum contamination is not the primary contaminant of concern
  - SAG grant commitments will expire 1 year after execution of a grant agreement if no eligible costs are incurred and invoiced within that year
  - Application information (e.g., site access agreement, environmental reports, council resolutions) will **not** be accepted after the application deadline



# Stipulated Assessment Grants

- Important guidelines changes for SFY 09 (November 08 and May 09 funding rounds), continued:
  - Supplemental application information (e.g., site access agreement, environmental reports, council resolutions) should be submitted to the Program as electronic files on CD-Rom or in hard copy by the application deadline. This information should not be uploaded to bravelo.
  - Deadline to demonstrate investment match is 2 years after the execution of the grant agreement **AND** any eligible investment made after grant award can count
  - Scoring criteria overhaul (discussed in later slide)



# Stipulated Remediation Grants

- Important guidelines changes for SFY 09 (November 08 and May 09 funding rounds):
  - SRG funding cannot be used to remediate petroleum contamination unless the site also has hazardous substance contamination, and petroleum is not the primary contaminant of concern
  - SRG grant commitments will expire 1 year after execution of a grant agreement if no eligible costs are incurred and invoiced within that year
  - Certain entities that would otherwise have an applicable exemption to liability but for the date on which they purchased the site are now potentially eligible for SRG funding (e.g., owners that would qualify as a BFPP but for the fact that they purchased prior to 1/11/02)
  - Application information (e.g., site access agreement, environmental reports, council resolutions) will **not** be accepted after the application deadline



# Stipulated Remediation Grants

- Important guidelines changes for SFY 09 (November 08 and May 09 funding rounds), continued:
  - Supplemental application information (e.g., site access agreement, environmental reports, council resolutions) should be submitted to the Program as electronic files on CD-Rom or in hard copy by the application deadline. This information should not be uploaded to bravelo.
  - Asbestos and lead paint abatement are only eligible SRG activities if performed in conjunction with other remediation activities
  - If any part of an SRG application includes a request for asbestos abatement \$, the applicant has to demonstrate it submitted its "IDEM Notification of Demolition and Renovation Operations" (State Form 44593 (R2/8-99) to IDEM's Office of Air Quality ("OAQ") for review and has received acknowledgment (notice confirming its receipt) from IDEM OAQ.



# Stipulated Remediation Grants

- Important guidelines changes for SFY 09 (November 08 and May 09 funding rounds), continued:
  - Deadline to demonstrate investment match is 2 years after the execution of the grant agreement **AND** any eligible investment made after grant award can count
  - Priority (Just in Time) Funding is now a funding option, if funding is available
  - Scoring criteria overhaul (discussed in next slide)



# New SAG/SRG Scoring Criteria

## Breakdown of 275 Possible Points:

- Project Benefits (200 total possible points)
  - Economic Development Potential (60)
  - Community Development/Greenspace (50)
  - Feasibility of Project Success/Resources Leveraged (40)
  - Sustainability/Environmental Benefit/Infrastructure Reuse (35)
  - Welfare & Public Health (15)
- Community Engagement & Local Support for Project (50 total possible points)
  - Project-specific neighborhood comment & input (30)
  - Coordinated Local Brownfields Efforts (20)
- Objective Criteria (25 total possible points)
  - Geographic Distribution of Grant \$ (20)
  - CLEAN Community Designation (5)





# Federal Matching Grants

- Important guidelines changes for SFY 09:
  - Automatic 15% FMG award will no longer be provided as match to EPA assessment grants. Only cleanup and RLF grants will be matched with FMG funds.
  - Clarified that EPA RLF and cleanup grant recipients are required to provide a 5% match in addition to the automatic 20% FMG award
  - Any FMG funds not spent before the expiration of the associated EPA Cooperative Agreement will be de-obligated



# Low-Interest Loans

- Important guidelines changes for SFY 09:
  - LIL commitment/award will expire 6 months after IFA board approval if a financial assistance agreement is not executed
  - Certain entities that would otherwise have an applicable exemption to liability but for the date on which they purchased the site are now potentially eligible for forgivable loans (e.g., owners that would qualify as a BFPP but for the fact that they purchased prior to 1/11/02)
  - Supplemental application information (e.g., site access agreement, environmental reports, council resolutions) should be submitted to the Program as electronic files on CD-Rom or in hard copy by the application deadline. This information should not be uploaded to bravelo.



# Low-Interest Loans

- Important guidelines changes for SFY 09, continued:
  - Asbestos and lead paint abatement are only eligible LIL activities if performed in conjunction with other remediation activities
  - If any part of a LIL application includes a request for asbestos abatement \$, the applicant has to demonstrate it submitted its “IDEM Notification of Demolition and Renovation Operations” (State Form 44593 (R2/8-99) to IDEM’s Office of Air Quality (“OAQ”) for review and has received acknowledgment (notice confirming its receipt) from IDEM OAQ.
  - Criteria for using LIL funds for acquisition added



# Low-Interest Loans

- Important guidelines changes for SFY 09, continued:
  - Condition for loan forgiveness that redevelopment goals must include site remediation, even if LIL funding will not be used to fund the necessary remediation
  - Selection criteria revised to more closely mirror new SAG/SRG scoring criteria



# Petroleum Remediation Grants

- Important guidelines changes for SFY 09:
  - Sites with both hazardous substances contamination and petroleum contamination are eligible for PRG, but the PRG \$ will only address the petroleum contamination (unless the contamination is commingled)
  - PRG grant commitment will expire 6 months after IFA board approval if financial assistance agreement is not executed
  - Selection criteria revised to more closely mirror new SAG/SRG scoring criteria
  - Priority (Just in Time) Funding is a funding option, if funding is available



# Petroleum Remediation Grants, Update

- Program restructured in late 2006/early 2007
  - State divided into 7 regions; allocated a total of \$5.25M (\$750k/region) + 20% contingency (\$150k/region, or a **total of \$6.3M**)
- June 2007: 79 sites awarded as eligible for funding
  - **14 additional awards** since June 2007 (**93 total**), including 3 sites providing \$1:\$1 match for priority “just in time” funding outside allocation of regional funds
  - 81 of 93 approved sites allocated funding (87%)
    - 67 of the original 79 eligible sites (85%)
  - 72 of 81 approved sites currently active (89%)
  - 15 of 72 active sites have been closed (20%)
    - Anticipate an additional 32 sites will be closed by end of SFY09 (65%)
- The Program has disbursed \$1,568,007 of \$6.3M regional commitment (25%) since June 2007
  - Anticipate an additional \$2M will be disbursed by end of SFY09 (57%)



# Trails & Parks Initiative

- U.S. EPA Award May 2007 - \$400,000 to assess sites contaminated with hazardous substances and/or petroleum
  - \$200,000 IFA match, total of \$600,000 available
- Established Trails & Parks Initiative to assess sites with planned reuse as trail, park or other recreational greenspace in support of Governor's goal of a having trail within 15 minutes of every Hoosier (*Hoosiers on the Move: The Indiana State Trails, Greenways & Bike Plan*)
- Retained 5 consultants to undertake work on projects awarded funding
  - To date, 4 projects awarded; 4 applications pending; \$100,063 expended or obligated for 3 active projects
- Example project: Phase I/II for New Albany/Ohio River Greenway – development of lighted multi-use path between two already-completed greenway sections, linking New Albany to Clarksville and Jeffersonville